

WC 08-241

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Shareholders of)
Fort Mill Telephone Company dba Comporium)
Transferors)
)
and)
)
Rock Hill Telephone Company dba Comporium,)
Transferee)
)
For Transfer of Control of Domestic Authorization)
under Section 214 of the Communications Act)

File No. _____

FILED/ACCEPTED

DEC - 2 2008

Federal Communications Commission
Office of the Secretary

**APPLICATION FOR TRANSFER OF CONTROL
OF DOMESTIC SECTION 214 AUTHORIZATION**

The shareholders of Fort Mill Telephone Company dba Comporium ("Fort Mill" or "Transferor") and Rock Hill Telephone Company dba Comporium ("RHTC" or "Transferee") hereby jointly request authorization to transfer control of the domestic Section 214 authorization held by Fort Mill. The parties contemplate a merger of Fort Mill with RHTC, which will result in Fort Mill becoming a wholly-owned subsidiary of RHTC. Although the transaction does not qualify for streamlined processing pursuant to 47 C.F.R. § 63.03,¹ the proposed transaction is both small in relative terms, and uncomplicated.

RHTC currently holds 48% of the voting shares of Fort Mill and provides management and other administrative services to Fort Mill. RHTC is controlled by individual members of the Barnes family and Barnes family-owned business entities. Fort Mill is also owned and indirectly controlled by Barnes family members through minor direct ownership in Fort Mill, as well as indirectly through ownership in both RHTC and other

business entities. The proposed transaction, which applicants seek to consummate on or before January 31, 2009, will result in Fort Mill becoming a wholly-owned subsidiary of RHTC. Fort Mill will continue to exist and operate, and continue to provide services to subscribers pursuant to current rates, terms and conditions. The transaction will, therefore, be transparent to subscribers and regulators alike.

In a related transaction, which is the subject of an additional application filed this date, RHTC seeks authorization for the transfer of control of Lancaster Telephone Company ("Lancaster"), proposing to acquire the controlling stock interest of that company through a tender offer. RHTC, already holding approximately 49% of the voting shares of Lancaster, is confident that, upon receipt of all necessary regulatory approvals, sufficient voting shares will be tendered and acquired to result in RHTC's ownership of a majority of Lancaster voting shares. RHTC fully anticipates that the tender offer will result in its ownership of 70-90% of the outstanding voting equity of Lancaster.

Although the proposed transaction would result in an increase of RHTC's ownership interest from below 50% to 100%, triggering a "transfer of control" under the Commission's Rules, the ultimate ownership by individual Barnes family members will not be altered significantly. Consummation of the two proposed transactions will further rationalize the ownership and management of neighboring companies that already share several elements of commonality. The resulting efficiencies will result in improved service to the public. Accordingly, the parties seek the Commission's expeditious review.

In support of this application, the following information is submitted in accordance with the requirements of the Commission's Rules:

(1) Name, address and telephone number of each applicant:

¹ Fort Mill and RHTC operate in adjacent telephone service areas. See Service Area Map, attached as Exhibit 1.

is bc

The Shareholders of Fort Mill Telephone Company dba Comporium
PO Box 1299
Fort Mill, SC 29716
(803) 548-5000

Rock Hill Telephone Company dba Comporium
PO Box 470
Rock Hill, SC 29731
(803) 324-9011

- (2) **Government, state or territory under the laws of which each corporate or partnership applicant is organized:**

Fort Mill and RHTC each are organized under the laws of the State of South Carolina.

- (3) **Name, title, post office address, and telephone number of the officer or contact point to whom correspondence concerning the application is to be addressed:**

For Fort Mill:

Matthew L. Dosch
Vice President – External Affairs
Fort Mill Telephone Company dba Comporium
PO Box 1299
Fort Mill, SC 29716
Telephone: (803) 548-5000
Facsimile: (803) 548-9075

For Rock Hill:

Matthew L. Dosch
Vice President -- External Affairs
Rock Hill Telephone Company dba Comporium
PO Box 470
Rock Hill, South Carolina 29731
Telephone: (803) 326-7287
Facsimile: (803) 326-5703

with a copy to Counsel:

Sylvia Lesse
Communications Advisory Counsel, LLC
2154 Wisconsin Ave., NW
Washington, DC 20007
Telephone: (202) 333-5273
Facsimile: (202) 333-5274

- (4) Name, address, citizenship and principal business of any person or entity that directly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities:

Fort Mill Telephone Company dba Comporium

<u>Name & Address</u>	<u>% Voting Equity</u>	<u>% Nonvoting Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Rock Hill Telephone Company dba Comporium PO Box 470 Rock Hill, SC 29731	48	48	USA	telecommunications
LAB Associates, LP 104 E. Summersby St. Fort Mill, SC 29715	26	26	USA	investments

The general partners of LAB Associates, LP are Ladson A. Barnes, Jr. and M. Rebecca B. Francis, both US citizens. The majority owner of the partnership is the Trust under Will of Ladson A. Barnes, Sr., a US entity (trustees, Ladson A. Barnes, Jr., Ladson A. Barnes, III and Frank S. Barnes, Jr., all US citizens). The Trust owns 77.3844671% of the partnership. As of the date of this filing, other than Ladson A. Barnes, Jr., who owns 10.3% of LAB Associates, LP in his individual capacity, there are no other holders with derivative ownership interest of 10% or more in LAB Associates, LP, a South Carolina limited partnership.

Rock Hill Telephone Company dba Comporium

<u>Name & Address</u>	<u>% Voting Equity</u>	<u>% Nonvoting Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Frank S. Barnes PO Box 470 Rock Hill, SC 29731	17.34%	17.34%*	USA	telecommunications
2007 Jean D. Barnes Irrevocable Trust John M. Barnes, Jr. and Charles D. Barnes, Trustees ² PO Box 470 Rock Hill, SC 29731	17.33%	17.33%*	USA	investments
E.L. Barnes PO Box 470 Rock Hill, SC 29731	17.33%	17.33%*	USA	telecommunications
LAB Associates, LP ³ 104 E. Summersby St. Fort Mill, SC 29715	48%	48%	USA	investments

(5) Certification pursuant to 47 C.F.R. Sections 1.2001 through 1.2003 that no party to the application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

All parties to this application hereby certify, pursuant to 47 C.F.R. Sections 1.2001-1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

* The nonvoting shares are held within the families of each of John M. Barnes, Sr. (deceased), Frank Barnes and E.L Barnes, including themselves, their spouses, their children, grandchildren and great-grandchildren, as well as trusts for the same.

² Trustees John M. Barnes, Jr. and Charles D. Barnes are US citizens.

³ See explanatory note under RHTC ownership, above, for additional information regarding ownership of LAB Associates, LP.

(6) Description of the Transaction:

Through a reverse triangular merger, RHTC proposes to exchange all outstanding Fort Mill Telephone Company shares not already owned by RHTC for RHTC non-voting stock. RHTC will create a new wholly-owned subsidiary, NewCo, funding NewCo with non-voting RHTC stock. Fort Mill shares will be exchanged for RHTC non-voting stock, and, after Fort Mill's merger with NewCo, Fort Mill will be the surviving corporation.

Both Rock Hill Telephone Company and Fort Mill Telephone Company are local exchange and exchange access service providers. The proposed transaction also will result in a transfer of control of Fort Mill's minority interests in other telecommunications companies, including its 12.64% ownership interest in Comporium Wireless, LLC.⁴

(7) Description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area:

Fort Mill Telephone Company dba Comporium

Fort Mill Telephone Company provides local exchange and exchange access service to 26,728 access lines in York County, in north-central South Carolina.

Rock Hill Telephone Company dba Comporium

Rock Hill Telephone Company dba Comporium provides local exchange and exchange access service to approximately 49,882 access lines in York County, South Carolina; this service area is adjacent to the service territory of Fort Mill.⁵ Together, the affiliated Comporium companies, including Fort Mill, Lancaster Telephone Company, PBT Telecom, Inc., and Home Telephone Company, provide local exchange service to 18 exchanges in South Carolina serving approximately 147,000 access lines through affiliated companies.⁶

⁴ Comporium Wireless, LLC is already controlled by RHTC, which holds 66.45% of that entity. Lancaster Telephone Company, the subject of the companion application for transfer of control described above, owns the remaining 29.91% ownership interest in Comporium Wireless, LLC. Accordingly, with approval and consummation of these two transactions, RHTC will control 100% of the voting interests in Comporium Wireless, LLC. Appropriate change of ownership information will be filed with the Commission as required.

⁵ The Fort Mill service area is also adjacent to the service area of Lancaster Telephone Company, the company which is the subject of a companion request for transfer of control to RHTC, filed contemporaneously with this application.

⁶ In addition, pursuant to authority granted under WC Docket No. 08-200, RHTC consummated its acquisition of Citizens Telephone Company of Brevard NC on December 1, 2008, adding approximately 20,000 access lines in Brevard, North Carolina and surrounding Transylvania County, North Carolina.

The Comporium companies provide local exchange telephone services, enhanced local calling features, long distance toll services, Internet access, cable television services, and competitive local exchange services in communities neighboring incumbent local service areas. In addition, an RHTC affiliate offers wireless service within a geographic area coextensive with certain other affiliates' incumbent telephone service areas. See attached Service Area Map, Exhibit 1.

Rock Hill Telephone Company, Lancaster Telephone Company, Home Telephone Company, PBT Telecom, Inc. and Fort Mill Telephone Company serve approximately 2350 square miles in and around the communities of Rock Hill, Lancaster, Tega Cay, Fort Lawn, Moncks Corner, Harleyville, Pelion, Pond Branch, Gilbert, Wagener, Ridge Spring, and Swansea South Carolina and certain unincorporated areas of York, Lancaster, Berkley, Chester, Dorchester, Orangeburg, Kershaw, Lexington, Aiken, Calhoun, Edgefield, and Saluda Counties. Both Rock Hill Telephone Company and Fort Mill Telephone Company, face competition from a competitive local exchange carrier, tw telecom (fka Time Warner Telecom). Competitive wireless services are available from Alltel, AT&T Wireless, Cricket, Sprint and Verizon.

Another RHTC affiliate, Community Long Distance, Inc., offers toll service to the areas served by its local exchange affiliates. An affiliate of Community Long Distance, Inc., Springboard Telecom, LLC, also offers competitive local exchange and exchange access services to the communities of Charlotte, Gastonia, Shelby, Kings Mountain, Lincoln, Statesville, Bessemer City, Rutherfordton, and Lake Norman, North Carolina. Community Long Distance, Inc. competes with more than 20 long distance carriers for intra- and interstate toll business.

RHTC's affiliate, PBT Communications, Inc., provides competitive local exchange services in parts of incumbent AT&T's Batesburg-Leesville, South Carolina exchange, and in parts of ALLTEL's Lexington, South Carolina exchange. In addition, it provides domestic (intra- and interstate) and international toll services to residences and businesses located within PBT Telecom, Inc. and its own exchange areas.

Map

A map showing the affected local exchange service areas is attached as Exhibit 1.

(8) Statement as to how the application fits into one or more of the presumptive streamlined categories in section 63.03 or why it is otherwise appropriate for streamlined treatment:

The instant Application is not presumptively entitled to streamlined processing under Section 63.03(b) of the Commission's Rules. The proposed transaction is, however, uncomplicated, relatively small and transparent to the public and regulatory authorities. Accordingly, the parties seek expeditious review and grant of the Application.

(9) Identification of all other Commission applications related to the same transaction:

Fort Mill holds the following radio licenses:

KWG208 – Industrial/Business Pool, Conventional

Contemporaneously with the filing of the instant Application, the parties are preparing and will file an application for Commission consent to the transfer of control of this license from the existing Fort Mill stockholders to RHTC.

(10) Statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure:

No party to the application is requesting special consideration because of imminent business failure.

(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction:

There are no separately filed waiver requests being sought in conjunction with the transaction.

(12) Statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets:

The proposed transaction proposed the consolidation of interests of small, family-owned local exchange carriers, leading to increased efficiencies and resulting public benefits. The provision of community-based telecommunications service providers will thereby be strengthened.

Conclusion

In light of the foregoing, the parties respectfully request grant of the requested authorization on a streamlined basis.

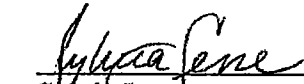
Respectfully submitted,

**Shareholders of Fort Mill Telephone
Company dba Comporium,**
Transferors

and

**Rock Hill Telephone Company dba
Comporium,**
Transferee

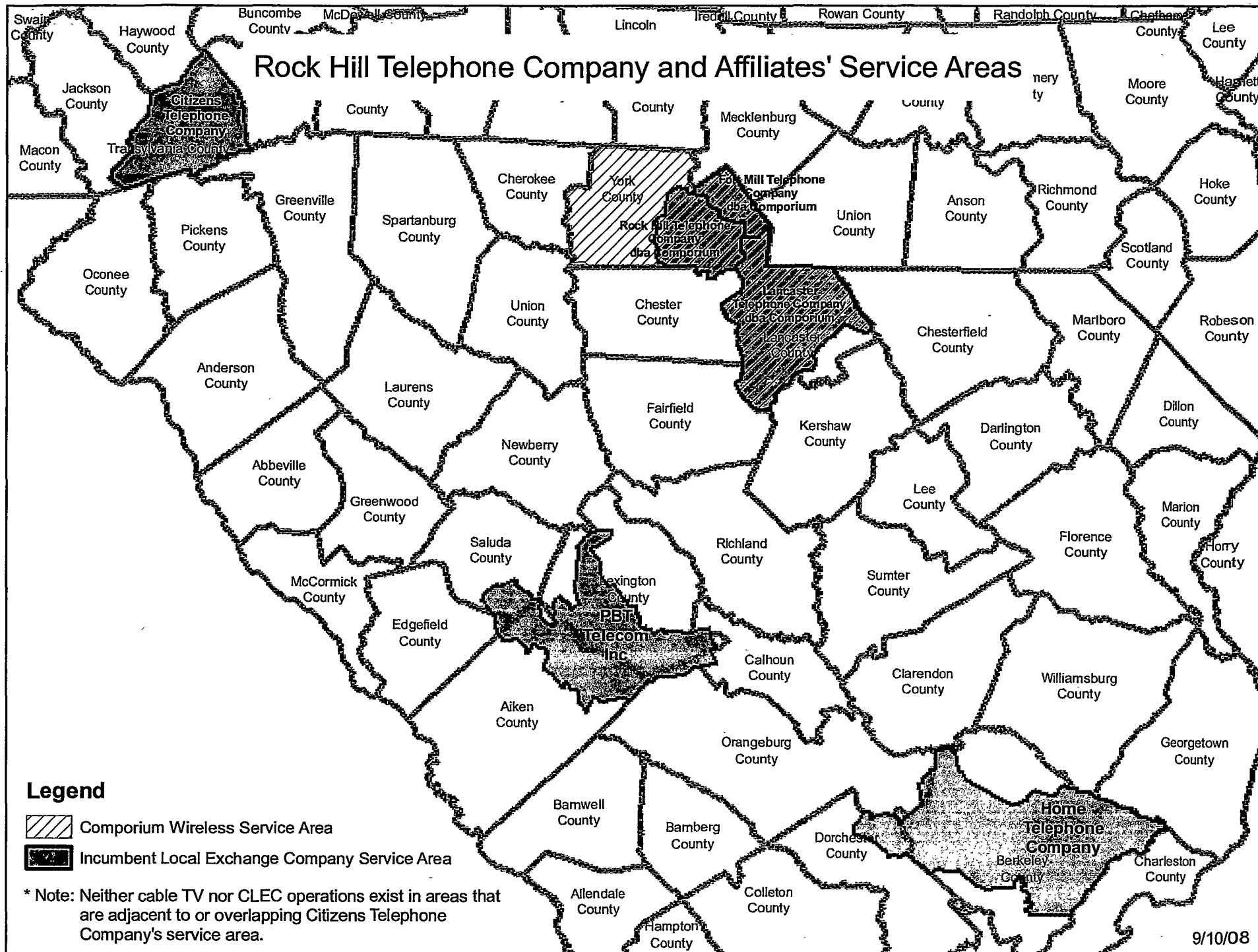
By:


Sylvia Lesse

Their Counsel

Communications Advisory Counsel, LLC
2154 Wisconsin Avenue, NW
Washington, DC 20007
(202) 333-5273

December 2, 2008

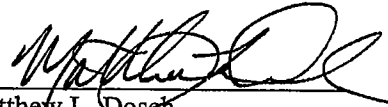


DECLARATION OF MATTHEW L. DOSCH

I, Matthew L. Dosch, Vice President – External Affairs for Rock Hill Telephone Company dba Comporium and Vice President – External Affairs for Fort Mill Telephone Company dba Comporium, do hereby declare under penalty of perjury that I have read the foregoing “APPLICATION FOR TRANSFER OF CONTROL OF DOMESTIC SECTION 214 AUTHORIZATION,” and the information contained therein is true and accurate to the best of my knowledge, information, and belief.

12/1/2008

Date



Matthew L. Dosch

CERTIFICATE OF SERVICE

I, Sylvia Lesse, of Communications Advisory Counsel, LLC, do hereby verify that on this 2nd day of December, 2008, I caused to be sent via First Class US Mail, postage prepaid, the foregoing "Application for Transfer Control of Domestic Section 214 Authorization" on the following:

The Hon. Mark Sanford
Office of the Governor
State House, 1st Floor
Columbia SC 29211

US Department of Defense
Assistant Secretary of Defense for C#1
100 Defense Pentagon, Room 3E712
Washington DC 20301

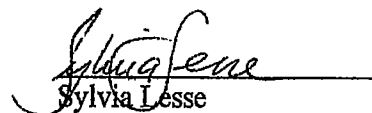
US Department of State
EB/CIP/SCA
Room 4826
2001 C Street NW
Washington, DC 20520

*Dennis Johnson
Wireline Competition Bureau
Federal Communications Commission
445 12th Street SW
Washington DC 20554

*Tracy-Wilson Parker
Wireline Competition Bureau
Federal Communications Commission
445 12th Street SW
Washington DC 20554

*Jodie May
Wireline Competition Bureau
Federal Communications Commission
445 12th Street SW
Washington DC 20554

*Via e-mail


Sylvia Lesse

US BANK/FCC DEC 03 2008

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE
FORM 159

STAMP & RETURN
STAMP & RETURN

Approved by OMB
3061-0589
Page No. 1 of 2

(1) LOCKBOX# 979091		SPECIAL USE ONLY	
		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Sylvia Lesse		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$1,015.00	
(4) STREET ADDRESS LINE NO. 1 2154 Wisconsin Avenue NW			
(5) STREET ADDRESS LINE NO. 2			
(6) CITY Washington		(7) STATE DC	(8) ZIP CODE 20007
(9) DAYTIME TELEPHONE NUMBER (include area code) (202) 333-5273		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0010900918		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Fort Mill Telephone Company			
(14) STREET ADDRESS LINE NO. 1 PO Box 1299			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY Fort Mill		(17) STATE SC	(18) ZIP CODE 29716
(19) DAYTIME TELEPHONE NUMBER (include area code) (803) 548-5000		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0001889617		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$1,015.00	(27A) TOTAL FEE \$1,015.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, <u>Sylvia Lesse</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief. SIGNATURE <u>Sylvia Lesse</u> DATE <u>12/2/08</u>			
SECTION E - CREDIT CARD PAYMENT INFORMATION			
ACCOUNT NUMBER <u>[REDACTED]</u>		EXPIRATION DATE <u>[REDACTED]</u>	
I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described.			
SIGNATURE <u>Sylvia Lesse</u>		DATE <u>12/02/08</u>	

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159

JULY 2005

FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE (CONTINUATION SHEET) FORM 159-C		SPECIAL USE FCC USE ONLY
Page No <u>2</u> of <u>2</u>		
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB-ADDITIONAL APPLICANT INFORMATION		
(13) APPLICANT NAME Rock Hill Telephone Company dba Comporium		
(14) STREET ADDRESS LINE NO. 1 PO Box 470		
(15) STREET ADDRESS LINE NO. 2		
(16) CITY Rock Hill	(17) STATE SC	(18) ZIP CODE 29731
(19) DAYTIME TELEPHONE NUMBER (include area code) (803) 326-7287		(20) COUNTRY CODE (if not in U.S.A.)
FCC REGISTRATION NUMBER (FRN) REQUIRED		
(21) APPLICANT (FRN) 000188878		(22) FCC USE ONLY
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2